

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 20019
[Redacted],)	
)	DECISION
Petitioners.)	
)	
)	
)	

On December 29, 2006, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission issued a Notice of Deficiency Determination (NODD) to [Redacted] (taxpayers) proposing income tax, penalty, and interest for tax years 2003 through 2005 in the total amount of \$5,944.

The taxpayers filed a timely protest. They did not request an informal conference but did submit additional information. The Tax Commission, having reviewed the file, hereby issues its decision based upon the information contained in the file.

The Bureau found no record of the taxpayers' 2003 through 2005 Idaho individual income tax returns. The taxpayers were sent a letter advising them of the missing returns and asking them for an explanation. The taxpayers did not respond.

[Redacted] Those records and [Redacted] records showing the taxpayers owned and operated an Idaho business during the years at issue suggested the taxpayers had a requirement to file 2003 through 2005 Idaho individual income tax returns.

Idaho Code § 63-3045 (1)(a) states:

63-3045. Notice of redetermination or deficiency -- Interest. (1) (a) If, in the case of any taxpayer, the state tax commission determines that there is a deficiency in respect of the tax imposed by this title, the state tax commission shall, immediately upon discovery thereof, send notice of such deficiency to the taxpayer by registered or certified mail or by other commercial delivery service providing proof of delivery,

whichever is the most cost efficient. The notice shall be sent to the taxpayer's last address known to the state tax commission. The notice of deficiency shall be accompanied by an explanation of the specific reason for the determination and an explanation of the taxpayer's right to appeal. Within sixty-three (63) days after such notice is mailed, the taxpayer may, at his option, file a protest in writing with the state tax commission and obtain redetermination of the deficiency.

The Bureau computed Idaho tax returns on the taxpayers' behalf and issued a NODD. The taxpayers' responded with a letter apologizing for not filing their returns and stating they needed help preparing the returns because of stock sales and self-employment taxes. The taxpayers expressed concern about the cost of hiring someone to do the returns and said they heard that a preparer will not release their records back to them until the fee for preparing the returns is fully paid.

After receiving additional information, the Bureau determined the NODD addressing tax year 2003 should be cancelled. On November 28, 2007, the Bureau sent the taxpayers a letter advising them that the portion of the NODD addressing 2003 was cancelled. Therefore, the taxpayers' 2003 Idaho individual income tax return will not be discussed further in this decision.

The taxpayers' file was transferred to the Legal/Tax Policy Division of the Tax Commission for administrative review. A letter was sent advising the taxpayers of their appeal rights and options. The taxpayers did not respond.

[Redacted]

A Notice of Deficiency Determination issued by the Idaho State Tax Commission is presumed to be accurate. Parsons v. Idaho State Tax Com'n, 110 Idaho 572 (Ct. App. 1986). Having presented no information in support of their argument, the taxpayers have failed to meet their burden of proving error on the part of the deficiency determination. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

The taxpayers have provided nothing that would dissuade the Tax Commission from accepting the Bureau's determination of Idaho income and Idaho individual income tax due for 2004 and 2005. The penalty and interest additions were calculated in conformity with Idaho Code §§ 63-3045 and 63-3046.

WHEREFORE, the Notice of Deficiency Determination dated December 29, 2006, is hereby MODIFIED and, as so modified, is APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayers pay the following tax, penalty, and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2004	\$1,454	\$364	\$277	\$2,095
2005	1,407	352	187	<u>1,946</u>
			TOTAL	<u>\$4,041</u>

Interest is computed through March 31, 2008.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of the petitioners' right to appeal this decision is enclosed with this decision.

DATED this _____ day of _____, 2008.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____, 2008, a copy of the within and foregoing DECISION was served by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[Redacted]

Receipt No.
